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DEPT. OF TRANSPORTATION
JUL 18 2003

**UNITED STATES DEPARTMENT OF TRANSPORTATION
LICENSE TO OWN, CONSTRUCT AND OPERATE A DEEPWATER PORT
ISSUED TO EL PASO ENERGY BRIDGE GULF OF MEXICO, L.L.C.**

The U. S. Secretary of Transportation, acting by and through the Maritime Administrator, pursuant to delegated authority (68 Federal Register 36496, June 18, 2003) (hereinafter the "Secretary") under the Deepwater Port Act of 1974 (Pub. L. 93-627) (hereinafter, as amended from time to time, the "Act"), hereby issues to El Paso Energy Bridge Gulf Of Mexico, L.L.C. ("El Paso Energy Bridge GOM"), a Delaware limited liability company (hereinafter the "Licensee"), this license (hereinafter the "License") to own, construct and operate the Deepwater Port known as El Paso Energy Bridge GOM, off the shores of southern Louisiana, subject to the conditions of this License. The Deepwater Port shall consist of a submerged turret loading buoy, flexible riser pipe, a subsea pipeline end manifold, a metering platform, and three segments of interconnecting subsea pipelines, to the extent such structures and pipelines (hereinafter collectively the "Deepwater Port") are located seaward of the high water mark, all as more fully described in the application for this License (said application, as amended, hereinafter the "Application").

ARTICLE 1. General Obligations of Licensee.

The Licensee shall own, construct and operate the Deepwater Port:

(a) in accordance with, and consistent with the purposes of, the Act and any regulations heretofore or hereafter promulgated under the Act (hereinafter the "Regulations"), and any applicable Federal, State or local law or international treaty or agreement;

(b) in accordance with the conditions of this License; and

(c) in accordance with, and with no substantial change from (unless otherwise approved by the Secretary, the plans, operational systems, methods, procedures and safeguards set forth in the Application, to the extent that the Application is consistent with the provisions of clauses (a) and (b).

The Licensee shall obtain and maintain in force the necessary approvals and authorizations, including licenses and permits from the Federal Communications Commission, the Environmental Protection Agency, the U. S. Army Corps of Engineers and other Federal or State agencies, as required by law, for construction or operation, as applicable, of the Deepwater Port and connection of the port to other facilities.

ARTICLE 2. Term.

This License shall remain in effect unless suspended or revoked by the Secretary or until surrendered by the Licensee.

The obligations of the Licensee contained in this License (except the obligations under Articles 10, 11, 12 and 13 hereof) shall survive any revocation, suspension, or surrender of the rights and

privileges granted hereby and shall continue until the Licensee shall have been notified by the Secretary in writing that such obligations have been satisfied and discharged

ARTICLE 3. Location.

The Licensee is authorized to construct and emplace the Deepwater Port, at the location shown on, and in accordance with, the charts and descriptions in the Application, to the extent that such location is on the Outer Continental Shelf, outside of the jurisdiction of the State of Louisiana.

Change shall not be made in the geographic locations of the components of the Deepwater Port without prior approval of the Commandant of the U.S. Coast Guard or designee (hereinafter the "Commandant").

This License does not convey any rights or interests or any exclusive privileges, except as expressly set forth herein in respect of lands on the Outer Continental Shelf, in or to real property, whether by title, easement, or otherwise, and it does not authorize any infringement of applicable Federal, state, or local laws or regulations, or the property rights of any person.

ARTICLE 4. Design.

The Licensee shall submit for Commandant approval plans of the components of the Deepwater Port.

There shall not be made, without prior approval of the Commandant, any substantial deviation, either before or after completion of the Deepwater Port, from those plans approved by the Commandant. The Licensee shall keep current at all times the record drawings as may be required by applicable Regulations. The design of the Deepwater Port shall be in accordance with the requirements set forth in Annex A hereto.

Minor changes in the Deepwater Port following commencement of commercial operations, such as replacement in kind of any equipment or components or divergence from the final plans approved by the Commandant, may be made if such changes or divergence are consistent with applicable Federal or State requirements, will not result in a decrease in efficiency, an adverse environmental impact, or an impairment of the general scheme of development. Any minor changes made without prior approval, which have produced or will produce any such results, shall be subject to alteration if the Commandant so directs.

ARTICLE 5. Construction.

All work during the construction of the Deepwater Port and any expansion or modification shall be undertaken in a manner that does not interfere with the reasonable use of the high seas, adversely affect the safety of navigation, or pose a threat to human safety or health or to the environment.

Within 90 days of issuance of the License, the Licensee must provide a Guaranty Agreement, in the form set forth in Annex B, which shall be deemed as demonstrating that Licensee shall receive technical and management support necessary to complete construction of the Deepwater Port. Construction of the Deepwater Port must be materially consistent with the Final

Environmental Assessment, November 2003 (on-line at http://dmses.dot.gov/docimages/pdf38/261100_web.pdf) ("EA") prepared with respect to the License application filed by Licensee. Construction of the Deepwater Port shall not commence until the Licensee shall have submitted a quality assurance program for approval by the Commandant, and such approval shall have been received. The program shall include provision for inspection, testing or other procedures with respect to any and all components of the Deepwater Port fabricated or material ordered prior to the approval and implementation of the quality assurance program.

The Licensee shall submit to inspection of the construction, operation and maintenance of the Deepwater Port at any time by the Commandant, and by other Federal officials pursuant to their responsibilities under Federal law. The Licensee shall cooperate fully with all Federal inspection personnel and shall furnish them such access, facilities information, notice and services as they reasonably may require in the performance of their responsibilities. All facilities and services provided to Federal inspection personnel shall be equal in quality to that provided to the Licensee's representatives.

During the construction of the Deepwater Port the Licensee shall make office space available for inspection personnel at all construction and fabrication sites and shall provide subsistence, quarters, transportation and voice communications to shore for persons conducting inspections at offshore sites.

ARTICLE 6. Operations.

The Licensee shall operate the Deepwater Port at all times (a) in the manner contemplated in the design and construction of the port approved by the Commandant, and (b) in accordance with the Deepwater Port Operations Manual approved by the Commandant.

ARTICLE 7. Facilities Furnished to the Government.

When the Deepwater Port is in operation, the Licensee shall furnish office space, subsistence, quarters and necessary support services onboard the vessel at the Deepwater Port for Coast Guard or other Federal inspectors while onboard in connection with inspection and monitoring of operations of the Deepwater Port. Such reasonable costs to the Licensee of providing the facilities and services required may be set off against the rental for the use of the seabed.

ARTICLE 8. Environmental Protection.

The Licensee shall implement in the design, construction, operation and maintenance of the Deepwater Port measures described in the Application, necessary to prevent, minimize or mitigate adverse environmental effects. The Licensee shall observe all requirements set forth in Annex A and shall comply with all applicable Federal and State laws, regulations and program requirements relating to environmental protection, land and water use, and coastal zone management.

Prior to commencing construction of the Deepwater Port, the Licensee shall keep the Coast Guard informed about procedures and equipment suitable for minimizing adverse effects of construction activities on the environment and shall employ the best available technology for such purpose.

The Licensee shall cooperate fully with Federal, State, and local agencies in the response to, mitigation of, and damage from discharges of petroleum products, hazardous materials, or liquefied or vaporized natural gas arising out of operation of the Deepwater Port.

ARTICLE 9. Financial Responsibility.

In order to ensure that necessary financial resources are available to the Licensee to meet design, construction and operations requirements under this License, the Licensee shall provide within 90 days of the issuance of the License evidence, in the form of Annex B, as further described in this Article, that applicant can meet its financial responsibility obligations.

With regard to the financial requirements of 33 U.S.C. §2716, as administered by the Department of Homeland Security's United States Coast Guard ("U.S. Coast Guard"), it has been determined that because of its design, this proposed natural gas deepwater port is not a "facility" as defined in the Oil Pollution Act of 1990 ("OPA '90") because the deepwater port structures, equipment or devices are not used for the purposes listed in the definition of an OPA '90 facility. If changes to the design are made such that OPA '90 coverage is required, the License will secure the proper coverage.

To ensure that necessary financial resources are available, as required, for any decommissioning activities for the Deepwater Port, the Licensee must provide a bond in an amount to be determined by the Secretary based upon a detailed engineering estimate of the cost to cover the port's full decommissioning and adjusted annually by the percentage amount of the Consumer Price Index established by the Bureau of Labor Statistics. In the event that the amount of the bond is insufficient and/or the Licensee is unable to fund the full decommissioning costs for the Deepwater Port, the Guarantor will provide the required funding to the Licensee for expenses incurred in accordance with Article 20. The bond must be in place prior to the onset of on site construction.

To meet the financial responsibility requirements of this Article, the Licensee shall have in effect at all times a guaranty in the form of the Guaranty Agreement attached hereto as Annex B or such other form or combination thereof as may be approved by the Secretary issued by parties which the Secretary shall have determined are financially capable of performing such obligations and meeting such liability.

The Licensee shall not assign the Guaranty Agreement or any rights thereunder, but, to the extent set forth in the Guaranty Agreement, such guaranty shall be for the benefit of any third party having a claim against the Licensee and in accordance with such rights as a third party shall have in a contract or agreement between such third party and Licensee.

ARTICLE 10. Requirements for Vessels Calling.

Except in the case of *force majeure*, the Licensee shall not accept for mooring, and not accept cargoes from, any vessel unless and until such vessel:

- (a) conforms to applicable Federal regulations; and
- (b) shall have a U. S. Coast Guard issued Vessel Certificate of Financial Responsibility (Water Pollution) that meets the requirements of the OPA '90; and

(c) Will not contribute to a violation of one or more permits held by Licensee; or any combination of these.

ARTICLE 11. Managed Access.

Pursuant to Section 8(d) of the Act, the Licensee may exclusively utilize the entire capacity of the Deepwater Port for the acceptance, transport, storage, regasification or conveyance of natural gas produced, processed, marketed, or otherwise obtained by agreement by the Licensee or its affiliates. The Licensee may make unused capacity available pursuant to reasonable terms and conditions but only if such use does not otherwise interfere in any way with the acceptance, transport, storage, regasification, or conveyance of natural gas produced, processed, marketed, or otherwise obtained by agreement by the Licensee or its affiliates.

ARTICLE 12. Expansion and Modification.

The Licensee may expand or modify the Deepwater Port, or increase the capacity thereof or of any part thereof, in accordance with the approval of the Secretary if the Secretary shall determine that expansion or modification is technologically practicable and consistent with all safety, environmental, and international laws and obligations, and consistent with the purposes of the Act.

ARTICLE 13. Inland Transportation.

The Licensee may cause to be established arrangements for the transportation of natural gas from the Deepwater Port to inland points served by connecting pipelines. Such transportation shall be in accordance with any terms and conditions as required by appropriate Federal and State agencies.

ARTICLE 14. Hazard Prevention.

Notwithstanding any other provision of this License, the Licensee shall take whatever reasonable measures are necessary to prevent hazards to human safety and health, property and to the environment that may arise from any activity concerning the construction, operation, maintenance, or termination of all or any part of the Deepwater Port.

ARTICLE 15. Indemnification. The Licensee shall indemnify and hold harmless the Maritime Administrator, the U.S. Secretary of Transportation, the United States of America, the State of Louisiana and its or their agents and employees (such parties being hereinafter called "Indemnified Parties"), against and from any and all causes of action, penalties, claims, demands and judgments, which may be imposed on, asserted against or incurred by the indemnified parties, and any and all liabilities, damages, obligations, costs, disbursements, and expenses (including reasonable attorney's fees and expenses) of any nature which arise out of, or are connected with the issuance (or approval, in the case of the State of Louisiana) of this License for any failure or refusal by a Licensee to perform any obligation or comply with any term or condition of the License.

ARTICLE 16. Transferability; Ownership Interests.

Neither this License nor any right or privilege afforded hereby shall be assigned or transferred by the Licensee without the prior written consent of the Secretary.

The Owner may sell, assign or transfer its ownership interest in the Licensee, or any part thereof, to any person or business entity which shall assume the obligations of an owner, and which shall have demonstrated financial responsibility to the Secretary, in like manner as an original owner, as well as meeting all relevant requirements of the Act.

ARTICLE 17. Equal Opportunity.

The Licensee shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Licensee shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. This shall include, but not be limited to, (i) employment, (ii) upgrading, (iii) demotion, (iv) transfer, (v) recruitment or recruitment advertising, (vi) layoff or termination, (vii) rates of pay or other forms of compensation, and (viii) selection for training, including apprenticeship.

ARTICLE 18. Conformance of Corporate Documents.

The Licensee shall not enter into or file with any government body any corporate document or agreement with others inconsistent with the terms hereof.

ARTICLE 19. Cause for Suspension or Revocation.

If, during the term of this License, one or more of the following events shall occur:

(a) the Licensee shall fail to observe or perform any obligation or condition contained in this License, or any guarantor shall fail to observe or perform any obligation contained in any assurance or guarantee given in connection with this License, and such failure shall continue after written notice (to Licensee and guarantor) from the Secretary specifying the failure and demanding that the same be remedied within the period specified in such notice, which shall be not less than 30 days unless a lesser period is necessary to protect public health or safety or to eliminate imminent and substantial danger to the environment; or

(b) any statement of the Licensee contained in the Application, or in any document submitted to the Secretary or the Commandant in connection with the Application or a request for approval thereunder, hereunder, or under applicable Regulations, shall contain a material misrepresentation or an omission of a material fact; or

(c) an unauthorized assignment or transfer of this License or any rights granted hereby; or

(d) any unauthorized assignment or transfer of an assurance or guarantee given pursuant to this License; or

(e) following proper accounting and notice from the Secretary, the Licensee shall have failed to pay within 60 days of such accounting and notice fees or other amounts due hereunder or under the Act or applicable Regulations; or

(f) provided that the Secretary has reason to believe that a petition in bankruptcy or insolvency against a Licensee will have a material and adverse effect on the ability of the Licensee to meet its obligations under the License, there shall be filed by or against the Licensee a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of the Licensee's property, or if the Licensee makes an assignment for the benefit of creditors or takes advantage of any insolvency act, and, in the case of an involuntary proceeding, within sixty days after the initiation of the proceeding the Licensee fails to secure a discontinuance of the proceeding, unless the Licensee shall have procured a guaranty satisfactory to the Secretary of the obligations of the Licensee; or

(g) provided that the Secretary has reason to believe that a petition in bankruptcy or insolvency against any owner or guarantor of such owner will have a material and adverse effect on the ability of such owner or guarantor to meet its obligations under this License, there shall be filed by or against any owner, or any guarantor of such owner, a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of the property of such owner or guarantor, or if any owner or guarantor of such owner makes an assignment for the benefit of creditors or takes advantage of any insolvency act, and, in the case of an involuntary proceeding, within sixty days after the initiation of the proceeding such owner or guarantor of such owner fails to secure a discontinuance of the proceeding, unless the Licensee shall have procured a guaranty satisfactory to the Secretary of the obligations of such owner or guarantor; or

(h) unless compelled to discontinue operation by a court of competent jurisdiction, the Licensee shall have discontinued operating and maintaining the Deepwater Port for a period of one hundred eighty days unless such failure is due to authorized construction activities or *force majeure* or unless the Secretary shall have authorized such discontinuance; or

(i) the Licensee shall fail to comply with any order of a court of competent jurisdiction, or fail to satisfy a judgment, issued or arising out of a breach of any provision of this License, or any violation of the Act or applicable Regulations; or

(j) the Licensee shall fail to comply with any order issued by the Secretary, within the period set forth therein for compliance, and such compliance order shall not have been appealed pursuant to the provision of the then prevailing regulations in respect thereof or a final determination in respect of such an appeal shall have been made; then, in any such case, the Secretary, at his/her option, may suspend or revoke this License or any right or privilege afforded the Licensee hereunder in accordance with the then prevailing regulations for suspension or revocation of licenses issued under the Act. Without limiting the foregoing, the Secretary may proceed (or request the Attorney General to proceed) by appropriate court action or actions either at law or in equity, to enforce performance by the Licensee of the applicable provisions of this License or to recover damages for the breach thereof.

The remedies in this License provided in favor of the Secretary shall not be deemed exclusive but shall be cumulative and shall be in addition to all other remedies in its favor existing in the Act, the applicable Regulations, and otherwise at law and in equity.

The failure of the Secretary to exercise his/her rights upon the occurrence of any of the contingencies set forth herein, shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies, nor shall performance by the Secretary of the obligations of the Licensee constitute a waiver of any other right.

ARTICLE 20. Removal.

Upon termination or revocation of this License, unless an application for transfer is pending or has been approved, the Licensee shall decommission the Deepwater Port in accordance with plans approved by the Secretary. A plan for decommissioning must be submitted by the Licensee to the Secretary within 90 days after the termination or revocation of this License. As stated in the EA, all decommissioning activities must be conducted in accordance with all applicable and appropriate regulations and guidelines in place at the time of decommissioning. If public health and safety compel a shorter removal schedule, the Secretary will make appropriate adjustments. If the Licensee seeks a waiver of any requirement to remove components as permitted by the Act, the Licensee may include such request in the decommissioning plans. Any removal must be completed within two years after the Licensee receives the Secretary's approval of the decommissioning plans, unless the Secretary otherwise extends that time period. If an application for transfer of the License is pending, the obligation of the Licensee to take any decommissioning actions shall be suspended until the Secretary acts upon the transfer application.

If the Licensee fails to remove any component of the Deepwater Port as required by the Secretary, the Secretary may arrange for its removal, and the Licensee shall be liable for the removal costs incurred.

ARTICLE 21. Effectiveness; Conditions.

This License shall not be effective unless and until the Licensee has executed and delivered the "Agreement to Comply" at the foot of this License, and the Secretary shall have received (and acknowledged such receipt), in form and substance satisfactory to him/her within 90 days of the issuance of this License:

(a) An opinion of counsel of the Licensee to the effect that (i) the Licensee has been duly formed, is validly existing and in good standing in the State of its formation, (ii) said agreement to comply has been duly authorized, executed and delivered by the Licensee and is a legal, valid, and binding instrument and this License is enforceable against the Licensee, and the related Guaranty Agreement is enforceable against the Guarantor, in accordance with their terms, and (iii) all relevant corporate documents and agreements among the Licensee, its owner and Guarantor are fully consistent with the provisions of this License;

(b) Certificate of good standing from the State of formation for the Licensee; and

(c) An executed counterpart of the Guaranty Agreement, if such be required.

ARTICLE 22. Enforcement; Delegation.

The rights, powers and authority of the Secretary hereunder may be enforced by the Attorney General or such other official of the United States of America having authority to enforce the provisions of the Act or having jurisdiction of the matters covered hereby or thereby.

The rights, powers and authority of the Secretary hereunder and under the Act and applicable Regulations may be exercised and enforced by the Commandant and such agents or employees of the Department of Transportation, the Department of Homeland Security, and the Coast Guard to whom such rights, powers and authority may from time to time be delegated, whether generally by means of customary procedures or specifically by delegation or appointment.

ARTICLE 23. Reports.

In addition to any reports required by applicable Regulations, the Licensee shall furnish promptly to the Secretary and/or Commandant, as appropriate, such other information as the Commandant or the Secretary may reasonably request from time to time. The Licensee shall notify the Secretary of any proceeding, order, or other judicial or administrative action concerning the activities covered hereby which could be reasonably expected to have a material and adverse effect on the ability of the Licensee to perform its obligations under this License, and shall advise the Secretary from time to time of the status and results of any such action.

ARTICLE 24. Definitions.

Except as otherwise defined herein, the terms used in this License shall have the meanings specified in the Act.

ARTICLE 25. Limitations.

Except as expressly set forth in this License, no other license, authorization, permit, or approval required by law is granted hereby. This License does not authorize anything in the Application that is or may be found to be in conflict with the Act, applicable Regulations, or guidelines issued under the Act.

The approval of the Secretary or the Commandant of any design, construction method, or operating procedure, or any other approval granted by this License, shall not relieve the Licensee of liability that it may incur in the ownership, construction, or operation of the Deepwater Port.

ARTICLE 26. Responsibilities of Employees.

The Licensee shall cause its agents, employees, contractors and subcontractors to comply with all applicable provisions of this License.

ARTICLE 27. Notice.

Any notice required or permitted to be given by this License, the Act or applicable Regulations shall be deemed to have been given when delivered or when deposited in the United States mails, first class postage prepaid, addressed as follows:

(a) if to the Secretary, at the United States Department of Transportation, Maritime Administration, 400 Seventh Street, Room 7206, Washington, D.C. 20590-0001, ATTN: Maritime Administrator, unless required otherwise by regulation or another provision of this License;

(b) if to the Commandant of the Coast Guard, at U.S. Coast Guard Headquarters, 2100 Second Street, S.W., Room 2212, Washington, D.C. 20593-0001, unless required otherwise by regulation or another provision of this License;

(c) if to the Licensee, at El Paso Energy Bridge GOM Four Greenway Plaza, Room 590, Houston, Texas 77046, or at such other address as the Licensee shall notify the Administrator from time to time.

The Licensee shall notify the Secretary of any change in its address within thirty days of the change.

ARTICLE 28. Severability.

Each provision of this License is, and shall be deemed to be separate and independent of any other provision. If any provision of this License is held invalid or unenforceable or the operation thereof shall be suspended by order of a court of competent jurisdiction, the remainder of this License shall not be affected and shall be valid and enforced to the fullest extent permitted by law. Any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

UNITED STATES OF AMERICA
U.S. DEPARTMENT OF TRANSPORTATION

BY: THE MARITIME ADMINISTRATION



CAPT. William G. Schubert
Maritime Administrator

Washington, D. C.

Dated: 26 May, 2004

AGREEMENT TO COMPLY

Pursuant to the provisions of Section 4(e)(2) of the Deepwater Port Act of 1974, El Paso Energy Bridge Gulf of Mexico, L.L.C., a Delaware limited liability company, hereby accepts the license to own, construct and operate a deepwater port, pursuant to the License to which this Agreement to Comply is attached, and in consideration thereof agrees to comply with and be bound by all conditions and provisions contained in such License.

Dated: May 18, 2004

EL PASO ENERGY BRIDGE
GULF OF MEXICO, L.L.C.

By:  

Name: James H. Lytal

Title: Vice President

ANNEX A

EL PASO ENERGY BRIDGE GULF OF MEXICO CONDITIONS

This Annex contains conditions of the License issued to El Paso Energy Bridge Gulf of Mexico ("Licensee") to construct, own and operate a deepwater port off the coast of Louisiana. The License will be subject to conditions including but not limited to:

- A. National Pollution Discharge Elimination System ("NPDES") permit ("NPDES Permit" or "Permit"): Licensee will obtain an NPDES Permit and will comply with all conditions to the Permit.
 - B. Based upon mitigation measures arising from the National Environmental Policy Act review and Endangered Fisheries Habitat ("EFH") consultation, Licensee will turn off the electric current to the ship's regasification copper-anode antifouling system during regasification operations using open-loop warming water. Licensee will provide to the U.S. Coast Guard a copy of the permit, including all conditions and requirements.
2. Deepwater Port Operations Manual: Provide for review and receive approval from the U.S. Coast Guard prior to commencing operations. The Operations Manual will describe other measures to be implemented by Licensee's personnel and its contractors to prevent, and if necessary, control any potential for adverse impacts to the environment during the operation of the deepwater port. In particular, the Operations Manual will contain specific measures to minimize impacts to air and water quality, impacts to essential fish habitat, and the incidental take of endangered species, as described in more detail below. The Operations Manual will be updated with site-specific information prior to the construction of and prior to transport and installation of the buoy and metering platform, and prior to commencement of operations. The Operations Manual will be updated as material changes occur or on a specific time line as identified by the U.S. Coast Guard.
 3. Industrial Process Water Intake Location, Velocity: Energy Bridge GOM ensure that vessels calling on the port will maintain their intake velocity to 1.0 ft/s or less while the LNG vessel is operating in the open-loop warming water system. The operation of the open-loop regasification system by the LNG vessel would be limited to a maximum of 248 days per year. This mitigation measure is aimed at establishing a maximum yearly intake volume of warming water to avoid additional impact of entrainment of ichthyoplankton based on unforeseen operation conditions. This limit reflects 42 deliveries per year at an average daily regasification rate of 500 MMcf/d and an intake flow of 12,000 cubic meters per hour.
 4. Pipelines: The pipelines will be constructed, tested, and installed according to applicable existing procedures as defined by the U.S. Department of the Interior, Mineral Management Service ("MMS") in coordination with the U.S. Department of Transportation, Research and Special Programs Administration, Office of Pipeline Safety and tested to the satisfaction of the Office of Pipeline Safety. The discharge of hydrostatic test water will be made in accordance with the terms of the NPDES Permit.
 5. Monitoring Plan: Energy Bridge GOM will develop and implement a marine fisheries species monitoring plan, in coordination with National Oceanic and Atmospheric Administration

("NOAA") Fisheries, that will be approved as part of the Port Operations Manual. The monitoring plan would address uncertainties associated with potential regasification impacts. This could lead to additional protection of EFH and the associated marine fishery species in the future.

6. Incidental Take and Reporting Requirements: Incidental takes of marine mammals (listed or non-listed) are not authorized. If such takes may occur, an incidental take authorization under Marine Mammal Protection Act ("MMPA") Section 101 (a) (5) is necessary. Consultation with NOAA Fisheries must be initiated by Licensee if a take occurs or new information reveals effects of the action not previously considered, or the identified action is subsequently modified in a manner that causes an effect to a listed species or critical habitat in a manner or to an extent not previously considered, or if a new species is listed or critical habitat designated that may be affected by the actions of Licensee.

7. Impacts to Cultural Resources: During the construction and installation of the Deepwater Port, Licensee must properly avoid or further investigate certain anomalies discovered in the geohazard surveys as described in the final Environmental Assessment, November 2003 (on-line at http://dmses.dot.gov/docimages/pdf88/261100_web.pdf).

8. Avoidance of Geologic Hazards: Any significant geological hazard encountered during installation of the pipelines, buoy and metering platform will be avoided. Additional geophysical surveys will be conducted for pipeline routes selected for licensing. Licensee will make the results of such surveys known to appropriate personnel in MMS and the U.S. Coast Guard.

9. U.S. Army Corps of Engineers Section 10 Permit: Licensee will coordinate with the appropriate Corps of Engineers District Office to obtain a Section 10 Permit, if applicable. Licensee will obtain the Section 10 Permit, if applicable, or any other applicable Corps of Engineers required permit (e.g., Nationwide Permit Number 8), and adhere to all conditions, including an approved anchoring plan. Licensee will either provide to the U.S. Coast Guard a copy of the appropriate Permit, including all conditions and requirements, or the evidence as to why such permits are not applicable.

10. Prevention of Significant Deterioration ("PSD") and Title V Air Quality Permit: Licensee will obtain a PSD and Title V Air Quality Permit from the U.S. Environmental Protection Agency ("EPA"). Licensee will obtain any other air permits, if required by EPA, prior to installation of the buoy, metering platform, and pipelines and prior to operations. The permit application submitted to EPA by Licensee assumes a LNG vessel will be at the proposed port operating vaporizes in the closed-loop mode 24 hours per day, 365 days per year. Based on information provided by Licensee, the amount of time LNG vessels would be on the buoy operating in the closed-loop mode is estimated to be approximately 281 days per year. Licensee will provide to the U.S. Coast Guard a copy of the permit(s), including all conditions and requirements.

11. Decommissioning: Licensee will conduct all decommissioning activities in accordance with approved plans required by the licensing authority, and in compliance with all applicable and appropriate regulations and guidelines in place at the time of decommissioning.

ANNEX B
FORM OF GUARANTY AGREEMENT

AGREEMENT AND GUARANTY

from

EL PASO CORPORATION

to

EL PASO ENERGY BRIDGE GULF OF MEXICO, L.L.C.

Dated as of May 18, 2004

AGREEMENT AND GUARANTY

EL PASO CORPORATION., A DELAWARE CORPORATION (HEREINAFTER CALLED THE OWNER), AS A CONDITION OF, AND IN CONSIDERATION FOR, THE ISSUANCE BY THE SECRETARY OF TRANSPORTATION (HEREINAFTER CALLED THE SECRETARY) OF A LICENSE (HEREINAFTER CALLED THE LICENSE) TO EL PASO ENERGY BRIDGE GULF OF MEXICO, L.L.C., A DELAWARE LIMITED LIABILITY COMPANY (HEREINAFTER CALLED THE LICENSEE) TO OWN, CONSTRUCT AND OPERATE A DEEPWATER PORT UNDER THE DEEPWATER PORT ACT OF 1974, AS AMENDED, (HEREINAFTER CALLED THE ACT) HEREBY AGREES TO FURNISH LICENSEE SUCH FINANCIAL, MANAGEMENT AND TECHNICAL SUPPORT AS MAY FROM TIME TO TIME BE NECESSARY OR APPROPRIATE TO ENABLE LICENSEE TO PERFORM FULLY ITS OBLIGATIONS UNDER THE LICENSE. THE OWNER HEREBY UNCONDITIONALLY GUARANTEES PURSUANT TO THE TERMS OF THIS AGREEMENT AND GUARANTY THE DUE AND PUNCTUAL PERFORMANCE OF SUCH OBLIGATIONS OF THE LICENSEE, AND IN CASE OF DEFAULT BY THE LICENSEE IN ANY SUCH OBLIGATIONS THE OWNER AGREES PUNCTUALLY TO PERFORM THE SAME, IRRESPECTIVE OF ANY ENFORCEMENT AGAINST THE LICENSEE OF ANY OF THE RIGHTS OF THE SECRETARY UNDER THE LICENSE.

THE OWNER HEREBY AGREES TO COMPLY WITH ALL PROVISIONS AND CONDITIONS OF THE LICENSE SPECIFICALLY APPLYING TO SHAREHOLDERS AND OWNERS OF THE LICENSEE AND TO COOPERATE IN ALL CORPORATE ACTIONS NECESSARY TO ENABLE THE LICENSEE TO COMPLY WITH THE PROVISIONS OF THE LICENSE.

THE OWNER SHALL FURNISH TO THE SECRETARY, PROMPTLY UPON TRANSMISSION THEREOF, COPIES OF ALL MATERIAL, REGULAR AND PERIODIC REPORTS, IF ANY, TO THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO ANY ACT ADMINISTERED BY SUCH COMMISSION, ALL REPORTS AND INFORMATION FURNISHED BY THE OWNER TO ITS STOCKHOLDERS, AND SUCH OTHER INFORMATION AS THE SECRETARY MAY REASONABLY REQUEST FROM TIME TO TIME WITH RESPECT TO THE FINANCIAL CONDITION OF THE OWNER.

THIS GUARANTY AND AGREEMENT MAY BE ENFORCED BY ANY PARTY HAVING A CLAIM AGAINST THE LICENSEE UNDER A SEPARATELY EXECUTED AGREEMENT WITH LICENSEE (HEREINAFTER CALLED A THIRD PARTY CLAIMANT) IN RESPECT OF THE MATTERS COVERED BY THIS GUARANTY AND AGREEMENT; PROVIDED, HOWEVER, THIS GUARANTY AND AGREEMENT SHALL NOT CREATE FOR ANY THIRD PARTY CLAIMANT ANY RIGHTS OR CAUSES OF ACTION SEPARATE FROM THOSE RIGHTS SUCH THIRD PARTY CLAIMANT SHALL HAVE PURSUANT TO ANY SEPARATELY EXECUTED AGREEMENT BETWEEN LICENSEE AND SUCH THIRD PARTY CLAIMANT AND, TO THE EXTENT THAT SUCH RIGHTS SHALL NOT EXIST IN A SEPARATELY EXECUTED AGREEMENT BETWEEN LICENSEE AND SUCH THIRD PARTY CLAIMANT, THIS GUARANTY AND AGREEMENT SHALL NOT BE DEEMED IN ANY WAY TO CREATE SUCH RIGHTS.

CONTRACTS BETWEEN LICENSEE AND A THIRD PARTY CLAIMANT SHALL BE GOVERNED BY THE LAWS SET FORTH IN THE CHOICE OF LAW PROVISION OF EACH OF THE AGREEMENTS BETWEEN LICENSEE AND THE THIRD PARTY CLAIMANT, EXCEPT THAT DISPUTES INVOLVING THE FEDERAL GOVERNMENT, AS REPRESENTED BY THE SECRETARY OF TRANSPORTATION, ACTING BY AND THROUGH THE MARITIME ADMINISTRATOR, OR HIS SUCCESSORS, SHALL BE GOVERNED BY FEDERAL LAW INsofar AS IT IS APPLICABLE, AND SHALL BE HEARD WITHIN THE APPROPRIATE

FEDERAL COURT WITHIN THE DISTRICT OF COLUMBIA.

THE OBLIGATIONS OF THE OWNER HEREIN SET FORTH SHALL TERMINATE UPON THE SATISFACTION OF THE OBLIGATIONS OF THE LICENSEE UNDER THE LICENSE AND THE ACT; PROVIDED, HOWEVER, SUCH OBLIGATIONS OF THE OWNER SHALL CONTINUE ONLY SO LONG AS THE OWNER CONTINUES TO OWN THE LICENSEE.

THE OWNER HEREBY ACKNOWLEDGES THAT IT HAS RECEIVED COPIES OF THE LICENSE AND IS FULLY AWARE OF ALL THE TERMS AND CONDITIONS THEREOF. FOR PURPOSES OF THIS GUARANTY AND AGREEMENT, REFERENCES HEREIN TO THE LICENSE INCLUDE ALL AMENDMENTS OR SUPPLEMENTS THERETO.

EL PASO CORPORATION

BY

A handwritten signature in dark ink, appearing to read "L. J. Hall", is written over the "BY" label.

DATED:

EL PASO CORPORATION

CERTIFICATE OF FACTS

I, Margaret E. Roark, do hereby certify that I am a duly elected, qualified and acting Assistant Secretary of EL PASO CORPORATION, a Delaware corporation (the "Company"), and that, as such, have the custody of the corporate records and seal of said Company.

I do hereby further certify that El Paso Corporation is authorized to enter into guaranty agreements on behalf of its subsidiaries, by virtue of the following resolutions which were adopted by its Board of Directors at a meeting duly called and held on the 17th day of July 2001, and which have not been rescinded or revoked and remain in full force and effect as of the date of this certificate.

APPROVAL OF EL PASO GUARANTIES

WHEREAS, the By-laws of this Company grant to the Chairman of the Board unlimited authority to enter into financial guarantees for the benefit of its subsidiaries; and

WHEREAS, the By-laws of this Company further grant to the Chairman of the Board the authority to delegate such authorization to other officers, employees or agents of this Company as he, in his sole discretion, determines necessary or appropriate.

NOW, THEREFORE, BE IT RESOLVED that the Chief Financial Officer, the Treasurer, the Controller, any Executive Vice President, any Senior Vice President, the Vice President with responsibility for structured finance transactions, and the Vice President with responsibility for treasury operations be, and each of them hereby is, authorized to execute on behalf of this Company and in its name, any and all indemnity agreements and/or guarantees or other similar instruments necessary or desirable in connection with various financing arrangements, indentures, credit agreements, claw-back arrangements, contribution agreements, ledgers, swaps and other agreements evidencing guaranty obligations and/or other indebtedness, or the issuance by any bank of any letter of credit or by any insurer or surety of any surety bond, undertaking or other writing obligatory in nature on behalf of this Company or any of its subsidiaries.

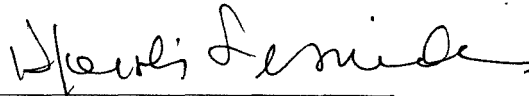
ACKNOWLEDGEMENT

In accordance with Article 21 of the License, this is acknowledgement by the Maritime Administration, acting on behalf of the Secretary of the U.S. Department of Transportation, of receipt, in form and substance satisfactory to the Secretary, of the "Agreement to Comply" and the other documents required by License Articles 5, 9, and 21, received within 90 days of the issuance of the License. The acknowledgement reflects that as of this date the License shall be effective

UNITED STATES OF AMERICA

U.S. DEPARTMENT OF TRANSPORTATION

BY: THE MARITIME ADMINISTRATION



Keith H. Lesnick

Project Manager

Washington, D. C.

Dated: May 24, 2004